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ABSTRACT

This booklet discusses the current child care crisis and suggests a solution to the crisis. The gap between the cost of child care and parents' ability to pay is restricting the expansion and availability of child care services and undercutting the quality of child care. The average cost of full-day child care in the Delaware Valley, Pennsylvania, area is $4,900 per child per year, while the average family income is $20,000 per year. Given that a reasonable portion of family income for child care expenses is 10 percent, a gap of $1,000 to $4,000 between what most parents can afford and what quality child care costs exists. A cost sharing plan would close this gap by expecting parents, the private sector, and the public sector to contribute to the expenses of child care. This cost sharing plan is needed because affordable, quality child care can: (1) expand the labor pool by enabling more mothers to work outside the home; (2) improve business productivity by decreasing absenteeism and improving employee morale; (3) contribute to families' financial self-sufficiency; and (4) serve as an investment in a future skilled labor pool, by instilling in children the motivation and skills needed for future school and job success. (MDM)

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A COST SHARING PLAN:

Solutions for The Child Care Crisis

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The Delaware Valley Child Care Council is a non-profit partnership of businesses, local and state governments, parents, child care providers and unions that serves as a catalyst and problem-solving forum for child day care issues. We are dedicated to eliminating the barriers to accessible and quality child care services.

THE CHILD CARE CRISIS IS . . .

1. **QUALITY** — SKILL OF STAFF/TEACHERS

2. **AVAILABILITY** — COST OF PROVIDING QUALITY CARE

3. **AFFORDABILITY** — COST GAP

THE COST GAP IS

RESTRICTING THE EXPANSION & AMOUNT OF CHILD CARE AVAILABLE AND

UNDERCUTTING QUALITY OF CHILD CARE

1. **There Is a $1,000 To $4,000 Gap Between What Most Parents Can Afford and What Quality Child Care Costs.**

   Assuming all employed parents are expected to pay a fair share (10%) of their income for child care, there is a gap between that fair share and what quality child care costs.

2. **The Average Actual Cost of Child Care in the Delaware Valley Is $4,900 Per Child Per Year.**

   A recent survey of major types of child care providers in the Delaware Valley revealed that the average actual cost per child is $4,900.

   While there are variations in cost with the age of the child and the type of care (in a center or home), actual costs range from
   $4,000 to $10,000 for an infant;
   $3,000 to $6,000 for a pre-schooler;
   $1,500 to $3,000 for a school age child.

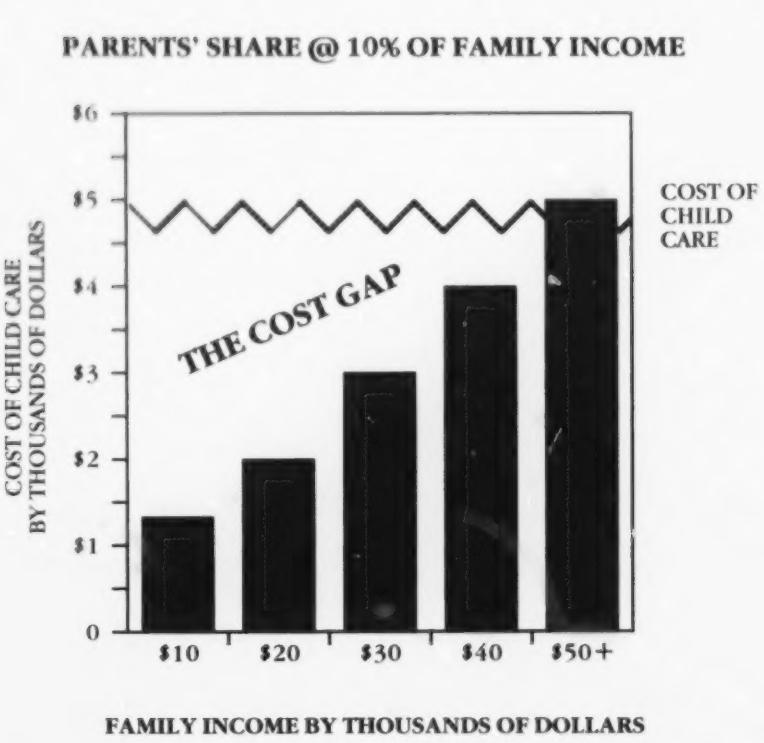
3. **The Average Family Income in the Delaware Valley Is $20,000.**

4. **A Reasonable Portion of Family Income for Child Care Expenses Is 10%.**

   Expenses for housing, food, clothing, health care, taxes and transportation consume the rest of the family income.

THE COST GAP IS . . .

The difference between what quality child care costs and what parents can afford



FROM DATA IN COST OF CARE SURVEY 1987-1988, A STUDY CONDUCTED BY THE DELAWARE VALLEY CHILD CARE COUNCIL.

THE SOLUTIONS ARE . . .

A COST SHARING PLAN:

THE GOAL: *TO INCREASE THE AMOUNT OF AFFORDABLE, QUALITY CHILD CARE IN THE DELAWARE VALLEY*

OBJECTIVE: *TO CLOSE THE COST GAP BETWEEN WHAT PARENTS CAN AFFORD AND THE COST OF QUALITY CHILD CARE*

1. *THE PARENTS' SHARE*

   To expect parents to pay 10% of their family income for child care.

2. *THE PRIVATE SECTOR SHARE*
   (BUSINESSES AND CHARITABLE ORGANIZATIONS)

   To foster the development of at least 15 privately funded programs to assist employed parents with child care.
   These programs could include:
   - *investing in work-site child care centers*
   - *establishing Dependent Care Accounts*
   - *adopting "cafeteria style" benefit packages*
   - *paying a portion of employee's cost at quality child care facilities*

3. *THE PUBLIC SHARE*

   To seek federal and local funding to close the cost gap.

   To secure $20 million dollars in additional state funds in each of the next three years for:

   Seed grants to provide after school care for "latch-key" children

   Training funds to attract and educate child care teachers

   Funds to establish minimum salary and benefit scales for child care teachers

   Funds to assist lower income working families with quality child care

THE COST SHARING PLAN IS NEEDED BECAUSE . . .

1. Child Care Can Expand the Labor Pool.

A 1986 study of Philadelphia parents revealed that 26,000 mothers were not in the labor force due to lack of affordable child care.

2. Child Care & Family-Sensitive Policies Improve Business Productivity.

Employers that provide child care assistance report declines in absenteeism and turnover along with improved employee morale and productivity.

3. Child Care Enables Families to Be Financially Self-Sufficient.

Quality child care reduces welfare costs. Welfare reform programs in states such as California and Massachusetts provide child care as well as job training and transitional health benefits. Massachusetts gained $130 million from reduced welfare costs and increased tax base.

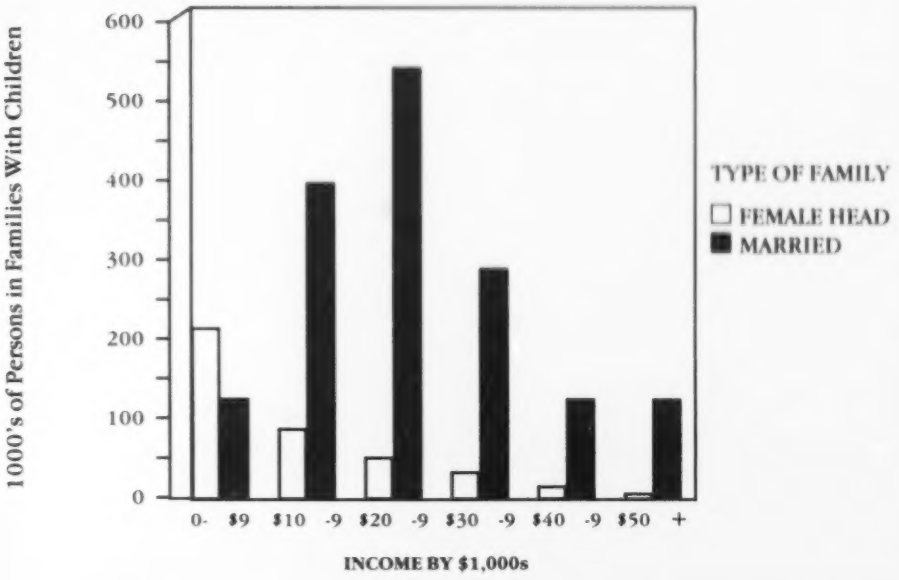
4. Quality Child Care Is An Investment In a Skilled Labor Pool.

*Early education in a **quality** child care home or center can instill the motivation and skills leading to future school and job success. Self-esteem and solid skills will be needed for the next generation of American workers.*

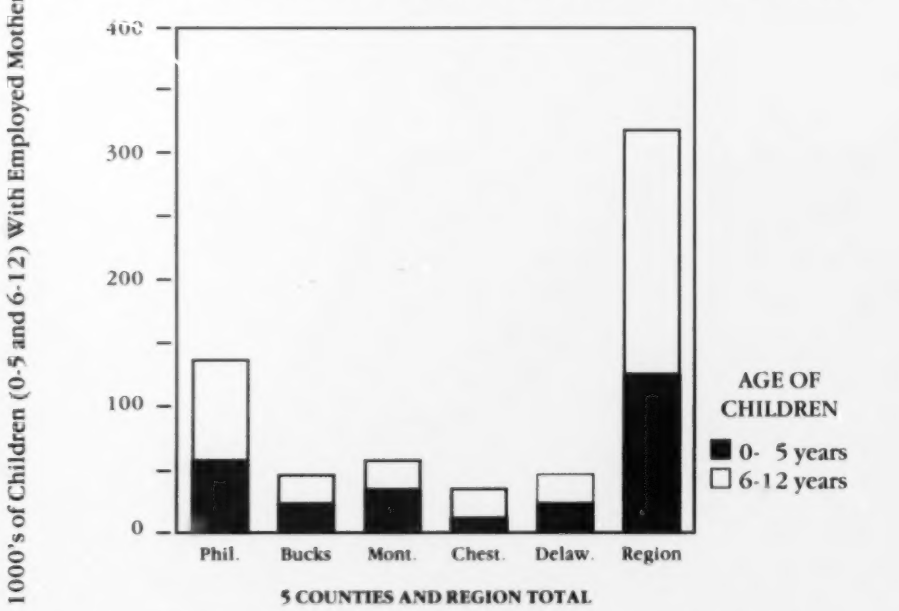
The Delaware Valley Child Care Council bases the Cost Sharing Plan on the facts that:

- 313,000 children in this region currently have employed mothers
- only 17% (53,000) of the region's children are currently in licensed child care facilities
- only 3% (10,000) are currently receiving state financial assistance for child care
- an additional 25% (166,000) of the region's children will have employed mothers and need child care by 1995

INCOME DISTRIBUTION OF REGION'S FAMILIES



CHILDREN WITH EMPLOYED MOTHERS IN DELAWARE VALLEY



This data is from the Delaware Valley Child Care Council, Needs for Child Day Care, 1988.

YOU CAN HELP SOLVE THE COST GAP BY . . .

☐ Contacting public officials.

☐ Contacting employers, colleagues and friends to let them know about the crisis.

☐ Having a speaker address your:

_____ business colleagues

_____ community organization

_____ union

_____ civic association

_____ church

_____ other (please specify) _____

☐ Joining with the DVCCC to help solve the child care crisis. Enclosed is my tax deductible contribution of $ _____ .

☐ I have other ideas. I will call or write you.

Your Name: _____

Address _____

_____

Telephone Number ( ) _____

Return to: Delaware Valley Child Care Council (DVCCC)
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OUR THANKS TO . . .

The development of this Plan has been made possible by the generous support of services, time, and money from many community members.

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Child Care Choices
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Day Care Association of Montgomery County, Inc.
Day Care Association of Southeastern Pennsylvania
Delaware Valley Association for the Education of Young Children
Jewish Community Relations Council (JCRC)
Philadelphia Jewish Labor Committee
Pennsylvania Association of Child Care Agencies
Philadelphia Pediatric Society
Philadelphia Urban Coalition
Women's Alliance for Job Equity (WAJE)
Womens Way

*partial list

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